

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4650-04
Bill No.: Perfected SCS for SB 826
Subject: Ambulances and Ambulance Districts; Counties; Fire Protection; St. Louis
County; Taxation and Revenue - Sales and Use
Type: Original
Date: April 6, 2010

Bill Summary: Would revise certain provisions for ambulance and fire protection districts in St. Louis County.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Auditor** and the **State Tax Commission** assume this proposal would have no fiscal impact on their organizations.

Officials from the **Office of the Secretary of State** (SOS) stated that many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Ambulance and Fire District Sales Tax

Officials from **St. Louis County** assumed a previous version of this proposal would have no fiscal impact on their organization.

Officials from the **Office of Administration, Division of Budget and Planning** (BAP) assume there would be no added cost to their organization as a result of a previous version of these provisions. Any revenue generated by the district sales tax would be deposited into a special "Ambulance or Fire Protection District Sales Tax Trust Fund" and would require voter approval, so the legislation would not impact Total State Revenue or the Section 18(e) limit under the Hancock Amendment.

The provisions could increase collection fees for the Department of Revenue as a result of St. Louis County ambulance and fire protection districts being allowed to impose a sales tax to fund the districts, upon voter approval. The Department of Revenue should provide the estimate of possible increased revenues to the state as a result of this proposal.

ASSUMPTION (continued)

Officials from the **Department of Revenue** (DOR) assumed a previous version of these provisions would permit the governing body of any ambulance or fire protection district in any county with a charter form of government and more than one million inhabitants to impose a sales tax, up to 0.5%, so long as the tax is approved by the voters of the county and so long as there is a corresponding decrease in the district's property tax rate.

DOR officials noted that there are 43 fire districts in St. Louis County, with 23 of them crossing municipal boundaries. DOR would need to coordinate the implementation of the districts, register business locations in the district, and coordinate ongoing sales tax collection and distribution. DOR officials assume that one additional FTE Revenue Processing Technician I (Range 10, Step L) would be required.

DOR provided an estimate of the total cost to implement this proposal including one additional employee with related benefits, equipment, and expenses totaling \$44,103 for FY 2011, \$42,082 for FY 2012, and \$43,343 for FY 2013.

Oversight notes that these provisions would provide the authority for ambulance and fire protection districts to seek voter approval to impose a sales tax for the purpose of replacing property tax revenues. Oversight assumes there would be an impact to DOR if one or more local governments proposes such a sales tax to the voters, the voters approve the imposition of the sales tax, and the sales tax is implemented. For fiscal note purposes, Oversight will include no cost for DOR. If unanticipated costs are incurred or if multiple proposals are implemented that increase the DOR workload, resources could be requested through the budget process.

DOR officials estimated the IT portion of the cost to implement this proposal at \$4,452, based on 168 programmer hours to make changes to the sales tax processing system (MITS).

Oversight assumes OA-ITSD (DOR) is provided with core funding to handle a certain amount of normal activity each year. **Oversight** assumes OA-ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DOR) could request funding through the appropriation process.

Oversight assumes these provisions as written are enabling legislation and would require action by the entity's governing body before fiscal impact would be realized. Oversight will indicate no state or local fiscal impact for fiscal note purposes.

ASSUMPTION (continued)

Section 115.342 Candidate Disqualification

This provision would add unpaid city taxes and municipal user fees to the current candidate disqualification for unpaid state income tax.

Section 321.018 Legal and Accounting Services

This provision would prohibit payment to persons contracting to provide professional legal and accounting services for a fire protection after their lawful termination by the governing body of such political subdivision, except for services actually rendered.

Section 321.130

This provision would stipulate that any fire protection district director who is found guilty of or pleads guilty to a felony would immediately forfeit such office.

Officials from the **Office of State Courts Administrator, Office of Secretary of State, Department of Public Safety, Department of Revenue, and the State Tax Commission** assumed similar provisions in SB 881, LR 4868-01 have no fiscal impact to their organizations.

In response to a similar provisions in HB 1739, LR 4412-01, officials from **Creve Coeur Fire Protection District** and **Central County Fire and Rescue** assumed there would be no fiscal impact to their fire districts.

Officials from the following counties did not respond to **Oversight's** request for fiscal impact regarding similar provisions in SB 881, LR 4868-01: **Andrew, Barry, Bates, Boone, Buchanan, Butler, Callaway, Camden, Cape Girardeau, Carroll, Clay, Cole, Cooper, DeKalb, Franklin, Greene, Hickory, Jackson, Jasper, Jefferson, Johnson, Knox, Laclede, Lafayette, Lawrence, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Pemiscot, Perry, Phelps, Platte, Pulaski, Randolph, St. Charles, St. Louis, St. Francois, Taney, Texas, Warren, and Webster.**

ASSUMPTION (continued)

Officials from the following fire districts did not respond to **Oversight's** request for fiscal impact regarding similar provisions in SB 881, LR 4868-01: **Boone County Fire District, Centralia Fire Department, Desoto Rural Fire Protection District, Hawk Point Fire Protection District, Hillsboro Fire Protection, Lake Saint Louis Fire District, Mehlville Fire District, Nixa Fire Protection District, Saline Valley Fire Protection District, and Southern Iron County Fire District.**

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

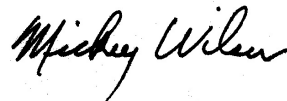
The proposed legislation does not appear to have a fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Office of the State Auditor
Office of Administration
Division of Budget and Planning
Department of Revenue
State Tax Commission
St. Louis County

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
April 6, 2010